

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 14, between lines 9 and 10, begin a new line block indented
2 and insert:
3 **"INDIANA 21st CENTURY GROWTH FUND**
4 **Total Operating Expense 25,000,000 25,000,000".**
5 Page 97, after line 12 and before line 13, begin a new paragraph
6 and insert:
7 "SECTION 42. IC 4-4-5.1 IS ADDED TO THE INDIANA CODE
8 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 1999]:
10 **Chapter 5.1. Indiana Twenty-First Century Growth Fund**
11 **Sec. 1. As used in this chapter, "board" refers to the Indiana**
12 **twenty-first century growth fund board established by section 6 of**
13 **this chapter.**
14 **Sec. 2. As used in this chapter, "fund" refers to the Indiana**
15 **twenty-first century growth fund established by section 3 of this**
16 **chapter.**
17 **Sec. 3. (a) The Indiana twenty-first century growth fund is**
18 **established to provide grants or loans to support proposals for**
19 **economic development in one (1) or more of the following areas:**
20 **(1) To increase the capacity of Indiana institutions of higher**
21 **education, Indiana businesses, and Indiana nonprofit**
22 **corporations and organizations to compete successfully for**
23 **federal research and development financing.**
24 **(2) To stimulate the transfer of research and technology into**
25 **marketable products.**
26 **(3) To assist with diversifying Indiana's economy so that high**
27 **skill and high wage jobs are created.**
28 **(4) To encourage an environment of innovation and**
29 **cooperation among universities and business to promote**
30 **research activity, including operation of Internet 2.**
31 **(b) The fund shall be administered by the budget agency. The**
32 **fund consists of appropriations from the general assembly and gifts**

1 and grants to the fund. The budget agency shall review and
2 approve requests for operating funds and each grant and loan
3 recommended by the board before allotting money from the fund.
4 Except for operating funds, money in the fund must be used only
5 to provide a matching incentive on a one-time basis and may not be
6 used to provide a recurring source of revenue for any project.

7 (c) The treasurer of state shall invest the money in the fund not
8 currently needed to meet the obligations of the fund in the same
9 manner as other public funds may be invested.

10 (d) The money in the fund at the end of a state fiscal year does
11 not revert to the state general fund but remains in the fund to be
12 used exclusively for the purposes of this chapter.

13 **Sec. 4. (a) A proposal requesting a grant or loan from the**
14 **Indiana twenty-first century growth fund must be targeted to one**
15 **(1) or more of the areas listed in section 3 of this chapter.**

16 (b) An applicant must meet the requirements of this section
17 and be approved by the board. A proposal shall be made on an
18 application prescribed by the board. The applicant shall provide all
19 information that the board finds necessary to make the
20 determinations required by this chapter.

21 (c) All proposals must include the following:

22 (1) A detailed financial analysis that includes the
23 commitment of resources by other entities that will be
24 involved in the project.

25 (2) The economic development potential of the project.

26 (3) The obligations of the applicant.

27 (4) Any other information that the board considers
28 appropriate.

29 (d) A proposal from an academic researcher must be made
30 through the office of the president of the academic institution with
31 the express endorsement of that institution's president. A proposal
32 from a private researcher must be made through the office of the
33 highest ranking officer of the researcher's institution with the
34 express endorsement of the institution.

35 **Sec. 5. (a) The board shall make final funding determinations**
36 **for proposals that will be submitted to the budget agency for**
37 **review and approval. In making these determinations, the board**
38 **may use a peer review panel to assist it in making determinations.**

39 (b) The board shall give priority to proposals that:

40 (1) have the greatest economic development potential; and

41 (2) require the lowest ratio of money from the fund
42 compared to the combined financial commitments of the
43 applicant and those cooperating on the project.

44 **Sec. 6. (a) The Indiana twenty-first century growth fund board**
45 **is established. The board consists of eight (8) voting members as**
46 **follows:**

47 (1) The lieutenant governor, or the lieutenant governor's
48 designee, who shall serve as chairperson of the board.

49 (2) A representative of a public research institution of higher
50 education to be appointed by the governor.

51 (3) A representative of a private research institution of
52 higher education to be appointed by the governor.

- 1 **(4) A representative from business or agriculture to be**
- 2 **appointed by the governor.**
- 3 **(5) A representative from a business with high research and**
- 4 **development expenditures in Indiana to be appointed by the**
- 5 **governor.**
- 6 **(6) A representative from the venture or growth capital**
- 7 **industry to be appointed by the governor.**
- 8 **(7) An economist to be appointed by the governor.**
- 9 **(8) The Indiana commissioner of higher education.**
- 10 **Members of the board appointed by the governor serve terms of**
- 11 **two (2) years.**
- 12 **(b) A board member may not have a relationship with an**
- 13 **applicant or cooperating entity if the relationship would constitute**
- 14 **a conflict of interest for the board member on a particular**
- 15 **proposal. A board member with a conflict of interest shall abstain**
- 16 **from any discussion, consideration, or vote on the proposal.**
- 17 **Sec. 7. The governor shall fill a vacancy on the board for the**
- 18 **remainder of the unexpired term. Except for the ex officio board**
- 19 **members, the governor may replace a board member at any time.**
- 20 **Sec. 8. A quorum for a meeting of the board consists of five (5)**
- 21 **voting members.**
- 22 **Sec. 9. Five (5) affirmative votes are required for the board to**
- 23 **take action.**
- 24 **Sec. 10. Members of the board are not entitled to per diem**
- 25 **allowances or reimbursement of expenses for their service on the**
- 26 **board.**
- 27 **Sec. 11. The board may use money in the fund to cover**
- 28 **administrative expenses incurred in carrying out the requirements**
- 29 **of this chapter."**
- 30 Renumber all SECTIONS consecutively.
- (Reference is to EHB 1001 as printed March 26, 1999.)

Senator LANANE